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असाधारण

EXTRAORDINARY

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PART I—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह धन्य संग्रहण के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 8th July 1968

SUBJECT —Conditions for licensing of Public/Private Sector imports under the third Danish Credit, 1968.

No. 135-ITC(PN)/68.—The conditions governing the issuance of import licences under the third Danish Credit, 1968 as given in Appendices I & II to this Public Notice are notified for the information of the trade.

APPENDIX I

CONDITIONS FOR LICENSING PUBLIC SECTOR IMPORTS UNDER THE THIRD DANISH CREDIT, 1968

1. Firm orders on C & F basis must be placed on the Danish supplier within three months from the date of issue of the Import Licence. If orders could not be placed within three months, the licence should be submitted for revalidation during the fourth month giving the reasons for the delay in placing orders and indicating the date by which orders would be placed. Such requests will be considered on merits by the Chief Controller of Imports & Exports in consultation

with the Ministry of Finance, (Department of Economic Affairs). The importers who are able to complete placement of orders within the three months period stipulated above can, however, seek suitable extension in the validity of their licences, based on the delivery schedules given in the contracts if such contracts have been approved by the Government. Extensions in such cases can be given by the licensing authorities without consulting the Ministry of Finance, Department of Economic Affairs.

2. The contract of supply between the Indian Importer and the Danish Supplier is subject to the approval of the Governments of India and Denmark for being financed under the Third Danish Credit arrangements. Importers should take special care to inform the suppliers about this condition and also incorporate a clause to this effect in the supply contract. It should be ensured that the equipments or stores being imported have been manufactured in Denmark. The minimum value of a contract to be eligible for financing under this credit is Danish Kroner 50,000 in respect of capital equipment and components and Danish Kroner 25,000 in respect of spares. Moreover, orders once approved will not be cancelled without prior concurrence of the Department of Economic Affairs.

3. The value of the contract should be expressed in Danish Kroners, calculated at the International Monetary Fund parity rate. The contract should normally provide for payment on cash basis i.e. on presentation of shipping documents. In the case of equipment with an extended delivery period initial payment may also be made to the supplier. For any customary performance guarantee, where required a small amount subject to about 10 per cent of the contract value could be withheld or the supplier could furnish a bank guarantee for the purpose.

4. Four copies of the contract, when concluded, should be furnished by the importer to the Ministry of Finance, Department of Economic Affairs, Europe II Section, New Delhi. The following information should also be sent to the Department of Economic Affairs along with the copies of the contract:—

- (i) Name & address of the Indian Importer.....
- (ii) Name and address of the Danish Supplier.....
- (iii) Value of the contract in
 - (a) Danish Kroner.....
 - (b) Rupees.....
- (iv) Short description of goods to be imported.....
- (v) A schedule indicating possible dates and amount of payment to the supplier may also be given. The delivery period may be indicated as so many months from the date of approval of the contract by the Danish authorities. Since the processing of the contract till it is approved by both the Governments takes some time, precise dates of delivery indicated in the contract might lapse necessitating fresh delivery period being indicated before payment is authorised.
- (vi) Details of shipping documents which the Denmark's National Bank should demand from the suppliers before making payment, together with the number of copies of each document required.....
(A copy each of the invoice and the bill of Lading will be required by the Ministry of Finance for their use).
- (vii) Branch of the State Bank of India to which the original documents (negotiable) should be sent by the Denmark's National Bank.
- (viii) Date upto which the letter of authority to the Denmark's National Bank should be made valid.

5. The payments to the Danish Supplier under the contract will be made by the Denmark's National Bank on the strength of a letter of authority (in the form at Annexure-I) which will be issued by the Ministry of Finance, Department of Economic Affairs on the basis of the information furnished vide para 4 above. All payments and deliveries under this contract must be finalised before the 31st December, 1970 after which no payments will be allowed.

6. On receipt of the copies of the contract, and the information required in paragraph 4 above, the Department of Economic Affairs will approach the Danish authorities through the Indian Embassy in Denmark, for approval to the contract being financed under the Third Danish Credit. The letter of Authority to the Denmarks National Bank will be issued only after the approval of the Danish authorities has been received.

7. The Denmarks National Bank may be charging incidentals to cover expenses incurred on postage and cables, etc. All these charges will be recoverable from the Importers.

8. The importers will have to deposit the rupee equivalent of the payments made to the Suppliers in Danish Kroners by the Denmarks National Bank together with postal and other expenses incurred by the Bank. For this purpose, the Danish Kroners will be converted at the rate of Danish Krone 1-Rs. 1.01. Any revision in the rate of exchange will be advised to the Importers/the branch of the State Bank of India by the Department of Economic Affairs as and when it takes place. They will also be required to deposit interest at the rate of six per cent per annum on the amount paid to the suppliers from the date of disbursement by the Denmarks National Bank to the actual date of deposit of the amount in the State Bank of India and its branches.

In the case of Public Sector Undertakings, the moneys specified in paragraph 8 above will be deposited at the branch of the State Bank of India specified by the Importers *vide* sub-clause (vii) of clause 4 under the head of Account—“T—Deposits and Advances Part II. Deposits not bearing interest—(C) Other deposit Accounts—Departmental and Judicial Deposits—Civil Deposits—Deposits for purchases abroad—Purchases under Credits/Loan Agreements—Deposits for cost of equipment, etc. obtained under the Third Danish Credit 1968. The documents will be released by the Bank only after the money is deposited in Government Account.

The advice of these deposits should be sent to the Accountant General, Central Revenues, New Delhi and Senior Accounts Officer, Ministry of Finance, Department of Economic Affairs, Economic Aid (Accounts) Branch, New Delhi.

In the case of imports by the Departments of Central/State Governments the debits for the rupee equivalents will be raised against the Accounts Officer concerned by Accountant General, Central Revenues on the basis of advices issued by the Department of Economic Affairs—Economic Aid Accounts Branch.

NOTE.—No letter of credit or remittances from India will be permitted against this Import Licence towards the cost and/or freight of the goods to be imported.

Annexure I to Appendix I to Public Notice No. 135-ITC(PN)/68, dated 8th July, 1968.

No.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)

New Delhi, the

To

The Danmarks National Bank.
COPENHAGEN.

Dear Sir,

THIRD DANISH-INDIAN CREDIT AGREEMENT OF 29TH APRIL 1968—
LETTER OF AUTHORITY NO.

In accordance with the terms and conditions of the above Credit Agreement, we hereby authorise you irrevocably to pay an amount of

Danish Kroners.....

to.....
against the delivery of the following documents:—

Invoice.....copies

Bill of Lading.....copies

Insurance Policy, if any.....copies, etc.

covering the import of.....against

Contract No.....approved by the Danish
Ministry of Foreign Affairs on.....

2. After payment, the original set of the above documents may kindly be
forwarded direct to the (Name of the Indian Bank).....

3. The amount paid plus your charges, if any, may be debited to our Account
with you designated "Government of India Third Special Account" and necessary
debit advice (in duplicate) alongwith one set of documents forwarded to the
Ministry of Finance, Department of Economic Affairs, Economic Aid Accounts
Branch, New Delhi.

4. One copy each of the above debit advices including the bank charges, if
any, may also be sent to the Importer in India.

5. This authority will remain valid upto the.....day of
.....

Yours faithfully,

)

Deputy/Under Secretary to the Govt. of India.

APPENDIX II

CONDITIONS FOR LICENSING PRIVATE SECTOR IMPORTS UNDER THE THIRD DANISH CREDIT, 1968

1. Firm orders on C.I.F./C&F basis must be placed on the Danish supplier
within three months from the date of issue of the Import Licence. If orders
could not be placed within three months, the licence should be submitted for
revalidation during the fourth month giving the reasons for the delay in placing
orders and indicating the date by which orders would be placed. Such requests
will be considered on merits by the Chief Controller of Imports & Exports in
consultation with the Ministry of Finance, (Department of Economic Affairs).
The importers who are able to complete placement of orders within the three
months period stipulated above can, however, seek suitable extension in the
validity of their licences, based on the delivery schedules given in the contracts
if such contracts have been approved by the Government. Extensions in such
cases can be given by the licensing authorities without consulting the Ministry
of Finance, Department of Economic Affairs.

2. The contract of supply between the Indian Importer and the Danish Sup-
plier is subject to the approval of the Governments of India and Denmark for
being financed under the Third Danish Credit arrangements. Importers should
take special care to inform the suppliers about this condition and also incorporate
a clause to this effect in the supply contract. It should be ensured that the equip-
ments or stores being imported have been manufactured in Denmark. The mini-
mum value of a contract to be eligible for financing under this credit is Danish
Kroner 50,000 in respect of capital equipment and components and Danish Kroner
25,000 in respect of spares. Moreover, orders once approved will not be cancelled
without prior concurrence of the Department of Economic Affairs.

3. The value of the contract should be expressed in Danish Kroners, calculated
at the International Monetary Fund parity rate. The contract should normally
provide for payment on cash basis i.e. on presentation of shipping documents. In
the case of equipment with an extended delivery period, initial payment may also
be made to the supplier. For any customary performance guarantee, where
required, a small amount subject to about 10% of the contract value could be
withheld or the supplier could furnish a bank guarantee for the purpose.

4. Four copies of the contract, when concluded, should be furnished by the
Importer to the Ministry of Finance, Department of Economic Affairs, Europe II
Section, New Delhi. The following information should also be sent to the Depart-
ment of Economic Affairs along with the copies of the contract:—

(1) Details of the Import Licence—

(a) Number.....

(b) Date of issue.....

- (c) Period of validity
- (d) Value..... ..
- (ii) Name & address of the Indian Importer
- (iii) Name and address of the Danish Supplier
- (iv) Value of the contract in
 - (a) Danish Kroner..... ..
 - (b) Rupees.
- (v) Short description of goods to be imported
- (vi) A schedule indicating possible dates and amounts of payment to the supplier may also be given. The delivery period may be indicated as so many months from the date of approval of the contract by the Danish authorities. Since the processing of the contract till it is approved by both the Governments take some time, precise dates of delivery indicated in the contract might lapse necessitating fresh delivery period being indicated before payment is authorised.
- (vii) Details of shipping documents which the Denmarks National Bank should demand from the suppliers before making payment, together with the number of copies of each document required.....
(A copy each of the invoice and the bill of Lading will be required by the Ministry of Finance for their use).
- (viii) Indian Agents' commission, if any, included in the contract.....

5. The payments to the Danish Supplier under the contract will be made by the Denmarks National Bank on the strength of a letter of authority (in the form at Annexure-I) which will be issued by the Ministry of Finance, Department of Economic Affairs on the basis of the information furnished *vide* para 4 above and after the receipt of bank guarantee contemplated in para 9 hereof. All payments and deliveries under this contract must be finalised well before the 31st December 1970 after which no payments will be allowed.

6. On receipt of the copies of the contract, and the information required in paragraph 4 above, the Department of Economic Affairs will approach the Danish authorities through the Indian Embassy in Denmark, for approval to the contract being financed under the Third Danish Credit. The letter of Authority to the Denmarks National Bank will be issued only after the approval of the Danish authorities has been received.

7. The Denmarks National Bank may be charging incidentals to cover expenses incurred on postage and cables, etc. All these charges will be recoverable from the Importers.

8. The importers will have to deposit:—

- (i) the rupee equivalent of the payments to the suppliers in Danish Kroners and the charges indicated in para 7 above, at the rate of One Danish Kroner—Rs. 1.01 Indian Rupees. Any revision in the rate of exchange will be advised to the Importers/their bankers by the Department of Economic Affairs as and when it takes place.
- (ii) Interest at the rate of six per cent per annum between the date of actual payment to the supplier by the Denmarks National Bank and the date of actual deposit of the rupee equivalent in the State Bank of India, Delhi or Reserve Bank of India, New Delhi.

9. The importers will be required to furnish a bank guarantee from an approved scheduled bank in the form attached (Annexure-II) agreeing to deposit the amounts specified in paragraphs 7 & 8 above.

The foot note under the Bank Guarantee form should be noted for strict compliance.

NOTE I.—The moneys specified in paragraphs 7 and 8 above shall be deposited with the State Bank of India, Delhi, or the Reserve Bank of India, New Delhi or remitted by means of a demand draft drawn in favour of the Accountant-General Central Revenues, New Delhi-1 on the State Bank of India, New Delhi for credit to the Central Government account under the head of account—

"T.—Deposits and Advances—Part II. Deposits not bearing interest—(C) Other Deposit Accounts—Departmental and Judicial Deposits—Civil Deposits—Deposits for purchases abroad—Purchases under Credits/Loan Agreements—Deposits for cost of equipment, etc., obtained under the Third Danish Credit. #968."

NOTE II.—No Letter of Credit can be opened or remittances made from India against this Import Licence towards the cost and/or freight of the goods to be imported.

**Annexure I to Appendix II to Public Notice No. 135-ITC(PN)/68,
dated 8-7-1968**

No.

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the

To

The Denmark's National Bank,
COPENHAGEN.

Dear Sirs,

**THIRD DANISH—INDIAN CREDIT AGREEMENT OF 29TH APRIL 1968—
LETTER OF AUTHORITY NO.**

In accordance with the terms and conditions of the above Credit Agreement we hereby authorise you irrevocably to pay an amount of

Danish Kroners
to
against the delivery of the following documents:—

Invoice copies

Bill of Lading copies

Insurance Policy, if any copies, etc.

covering the import of against Contract No.
approved by the Danish Ministry of Foreign Affairs on

2. After payment, the original set of the above documents may kindly be forwarded direct to the (Name of the Indian Bank)

3. The amount paid plus your charges, if any, may be debited to our Account with you designated "Government of India Third Special Account" and necessary debit advice (in duplicate) along with one set of documents forwarded to the Ministry of Finance, Department of Economic Affairs, Economic Aid Accounts Branch, New Delhi.

4. One copy each of the above debit advices including the bank charges if any, may also be sent to the Importer in India

5. This authority will remain valid upto the day of

Yours faithfully,

Deputy/Under Secretary
to the Government of India.

Annexure II to Appendix II to Public Notice No. 135-ITC(PN)/68 dated 8-7-1968

GUARANTEE BOND

(To be furnished by Banks under the procedure for the import of goods under the Third Danish Credit, 1968).

To

The President of India,

In consideration of the President of India (hereinafter called 'the Government') having agreed to arrange for payment in Danish Kroners for the import of by (hereinafter called the 'Importer') under the terms and conditions of the Third Danish Credit of 40 million Danish Kroners and in pursuance of Import Licence No. issued on in favour of the Importer against the above agreement, we Bank Ltd. at the request of the importer hereby undertake to arrange to deposit the amounts of the disbursements made by the Danmarks National Bank and their commission and postal charges, converted at the rate of One Danish Kroner equivalent to 1.01 Indian Rupees *within ten days* of the receipt of advice of payment for credit to the Government account in the manner and against the appropriate Heads of Account as indicated by Government of India under the said credit together with interest at the rate of six per cent per annum on the amounts disbursed to the supplier from the date of payment to the Danish supplier to the date of payment of rupee equivalent for credit to the Government Account. The negotiable set of import documents received from the Danmarks National Bank will be released to the Importer only after the rupee deposits contemplated above have been made.

2. We the Bank Ltd., also undertake to indemnify and keep indemnified the Government against any default in payment by the Importer of any sum that may be due and payable from time to time by the Importer to the Government at such place and in such manner as the Government may from time to time direct such sums not exceeding Rs. or any part thereof for the time being due and payable by the Importer together with interest thereon at the rate of six per cent per annum from the date of payment to the Danish Supplier out of the Third Danish Credit of 40 million Danish Kroners. The decision of the Government as to any default in the said payment by the Importer or on his part and in regard to the amount payable to the Government by us Bank Ltd., shall be final and binding on us Bank Ltd.

3. We Bank Ltd. further agree that in case of increase in the value of import or increase in the value of unfulfilled deliveries under the contract as a result of change in the composite rate of exchange mentioned in para 1 above, the amount of this guarantee bond will be adjusted as on the date when the change takes place in proportion to this change.

4. We Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement/contract and that it shall continue to be enforceable till all the dues to the Government under or by virtue of this guarantee have been fully paid and its claims satisfied or discharged.

5. The guarantee herein contained shall not be affected by any change in the constitution of the Importer or the Bank Ltd. and the Government shall have the fullest liberty without affecting the guarantee to postpone for any time and from time to time any of the powers exercisable by it against the Importer and either to enforce payment by the Importer of any of the amounts the payment whereof is intended to be hereby secured and the Bank Ltd., shall not be released from its liability under this guarantee by any exercise by the Government of the liberty with reference to the matters of re-said or by reason of time being given to the Importer or any other forbearance, act or omission on the part of the Government or any indulgence by the Government to the Importer or by any act or thing whatsoever which under the law relating to securities shall but for this provision have the effect of so releasing the Bank Ltd. from its such liability.

6. We Bank Ltd., undertake not to revoke this guarantee during its currency except with previous consent of the Government in writing.

7. Our liability under this guarantee is restricted to (plus interest and commission charges, if any not expected to exceed one per cent of the guaranteed amount) and this guarantee shall remain in force till the day* of (month) 19..... Unless claims under this guarantee are made in writing within six months of this date and unless a suit or action to enforce these claims is commenced within another six months thereafter i.e. upto all Government's rights under this guarantee shall be forfeited and we shall be relieved and discharged from all liability thereunder.

Dated the day of

For Bank Ltd.

Accepted for and on behalf of
the President of India by Shri

.....

(Name & designation)

Signature

*This date shall be arrived at by adding one month to the date by which all payments to the Suppliers are expected to be finalised.

NOTE.—The value of the stamped paper on which this guarantee is to be executed is to be adjudicated by the Collector of Stamps.

P. D. KASBEKAR,
Chief Controller of Imports & Exports,